

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Gardner Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 19, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made July 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.875% to 7.75%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



# GARDNER CONTRIBUTORY RETIREMENT SYSTEM

## FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*	% Change
2018	597,279	41,681,813	3,089,152	163,018	3,849,449	5.50%
2019	618,184	41,583,592	3,279,967	163,018	4,061,169	5.50%
2020	639,820	41,272,155	3,441,083	163,018	4,243,922	4.50%
2021	662,214	40,762,980	3,609,666	163,018	4,434,898	4.50%
2022	685,391	40,032,696	3,786,059	163,018	4,634,469	4.50%
2023	709,380	39,055,751	3,970,622	163,018	4,843,020	4.50%
2024	734,208	37,804,227	4,163,729	163,018	5,060,955	4.50%
2025	759,906	36,247,636	4,365,775	163,018	5,288,698	4.50%
2026	786,502	34,352,705	4,577,170	163,018	5,526,690	4.50%
2027	814,030	32,083,140	4,798,343	163,018	5,775,391	4.50%
2028	842,521	29,399,369	5,029,745	163,018	6,035,284	4.50%
2029	872,009	26,258,270	5,271,844	163,018	6,306,871	4.50%
2030	902,530	22,612,874	5,525,133	163,018	6,590,680	4.50%
2031	934,118	18,412,041	5,790,125	163,018	6,887,261	4.50%
2032	966,812	13,600,114	6,067,358	163,018	7,197,188	4.50%
2033	1,000,651	8,116,545	6,357,393	163,018	7,521,061	4.50%
2034	1,035,673	1,895,487	1,895,487	163,018	3,094,178	-58.86%
2035	1,071,922	-	-	163,018	1,234,940	-60.09%

### Amortization of Unfunded Liability as of July 1, 2017

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2018	Fresh Start	N/A	N/A	17	N/A	17

#### Notes on Amortization of Unfunded Liability

**Year** is the year the amortization base was established. **Type** is the reason for the creation of the base. **Original Amortization Amount** is the annual amortization amount when the base was established. **Percentage Increasing** is the percentage that the Original Amortization Amount increases per year. **Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.

\*\* Contribution is set to be the amount resulting from a 5.5% increase on the prior year's contribution, followed by an additional 5.5% increase, and 4.5% increases thereafter. The contribution in FY2034 decreases by -58.86%.